

is or may be stored and for which a license has been issued under the act.

(j) *Warehouseman.* Any person lawfully engaged in the business of storing tobacco and holding a warehouse license.

(k) *License.* A license issued under the act by the Secretary.

(l) *Type.* Any one of the main classes of tobacco having certain peculiar characteristics which will permit of its being divided into a single system of grades.

(m) *Grade.* Any one of the divisions of a type, which may be a combination of any or all of the four factors, group, quality, color, and length.

(n) *Form.* The designation of the stage of preparation of tobacco, such as unstemmed, stemmed, stems, etc.

(o) *Condition.* Any state of tobacco which is not covered by form or grade and which has a material bearing on its value, including its keeping quality.

(p) *Sampler.* A person licensed under the act by the Secretary to sample and to certificate or tag and seal samples of tobacco drawn by him under the act.

(q) *Inspector.* A person licensed under the act by the Secretary to inspect and to certificate the keeping quality of the tobacco in addition to the performance of the duties of a sampler.

(r) *Grader.* A person licensed under the act by the Secretary to grade and to certificate the type, grade, form, and condition of tobacco.

(s) *Weigher.* A person licensed under the act by the Secretary to weigh and certificate the weight of tobacco.

(t) *Package.* A hogshead, tierce, case, or other unit.

(u) *Official sample.* A sample of a package of tobacco drawn, tagged, and prepared by a sampler in accordance with §§ 737.55 through 737.56.

(v) *Receipt.* A warehouse receipt.

(w) *State.* A State, Territory, or District of the United States.

[SRA, BAE 129, rev., 7 FR 6806, Aug. 29, 1942, as amended at 13 FR 8729, Dec. 30, 1948. Redesignated and amended at 50 FR 1814, Jan. 14, 1985; 63 FR 60204, Nov. 9, 1998]

#### WAREHOUSE LICENSES

### § 737.3 Application form.

Applications for licenses and for amendments to licenses under the act

shall be made to the Secretary upon forms prescribed for the purpose and furnished by the Service, shall truly state the information therein contained, and shall be signed by the applicant. The applicant shall at any time furnish such additional information as the Department may find necessary to a proper consideration of his application.

### § 737.4 Grounds for not issuing license.

A license for the conduct of a warehouse shall not be issued if it be found by the Secretary, or his designated representative, that the warehouse is not suitable for the proper storage of tobacco, that the warehouseman is insolvent or is incompetent to conduct such warehouse in accordance with the act and the regulations in this part, or that there is any other sufficient reason within the purposes of the act for not issuing such license. Further, a license shall not be issued for any place to which tobacco is delivered by the producers or their agents for the purposes of obtaining CCC price support advances and for the display and auction of tobacco.

[ 63 FR 60204, Nov. 9, 1998]

### § 737.5 Net assets.

Each warehouseman conducting a warehouse licensed, or for which application for license has been made, shall have and maintain, above all exemptions and liabilities, net assets liable for the payment of any indebtedness arising from the conduct of the warehouse, to the extent of at least \$5 per 1,000 pounds of the maximum number of pounds of tobacco that the warehouse will accommodate when stored in the manner customary to the warehouse, as determined by the Administrator, except that the amount of such assets shall not be less than \$5,000 and need not be more than \$100,000. In case such warehouseman has applied for licenses to conduct two or more warehouses in the same State, the assets applicable to all of which shall be subject to the liabilities of each, such warehouses shall be deemed to be one warehouse for the purposes of the assets required under this section. For the purposes of this section only, paid-in capital stock, as such, shall not be